

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 2504 – SB 2502

March 3, 2010

SUMMARY OF AMENDMENTS (012728, 014049, 014828): Limits the pilot program to one county clerk site within Davidson, Hamilton, Knox, Shelby, Unicoi, Tipton, Hamblen, Anderson, Blount and Sevier Counties. The pilot program will exist for four years, effective FY10-11 through FY13-14. The Department of Health is authorized to promulgate rules governing the issuance, inventories, and the security and confidentiality standards of the birth certificates and certified copies.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue – Net Impact - \$30,000/Recurring
Increase State Expenditures - \$26,700/One-Time
Net Impact - \$185,400/Recurring

Increase Local Revenue – Exceeds \$100,000/Permissive
Increase Local Expenditures – Exceeds \$100,000/Permissive

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENTS:

Increase State Revenue – Net Impact - \$7,500/Recurring
Increase State Expenditures – Net Impact - \$2,500/Recurring

Increase Local Revenue – Exceeds \$100,000/Permissive
Increase Local Expenditures – Exceeds \$100,000/Permissive

Assumptions applied to amendments:

- Ten county clerk locations within the counties included in the pilot program will participate.
- The participating county clerk locations will use existing T-carrier computer line connections. It is estimated that there will not be a significant increase in expenditures for the county clerk locations to use these connections for data transfer purposes.
- Currently, the county health departments are able to issue birth certificates. According to the Department of Health, county clerk locations that participate in the pilot program will be held to the same information security standards that the local health departments are held which includes use of a dedicated printer and maintaining a secure location with

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limited access for the security paper and computer connections. Additionally, each health department must go through annual training and the birth certificate program is audited annually.

- The Department of Health will charge the county clerk locations participating in the pilot program for staff training and for auditing the facilities. It is estimated that each facility will be charged for 15 hours of work at a rate of \$50 per hour resulting in an increase in state revenue of \$7,500 (10 locations x 15 hours x \$50 per hour).
- The Department will provide state security paper to the county clerks resulting in an increase in expenditures of \$2,500 (10 locations x \$250).
- County clerk locations will not participate unless they currently have sufficient personnel to meet program needs.
- Local governments who choose to participate will experience an increase in local revenue estimated to exceed \$100,000 for fees charged for issuing birth certificates.
- Local governments who choose to participate may experience an increase in local expenditures estimated to exceed \$100,000 for the cost of issuing certificates.
- State revenue and expenditures are dependent on the number of county clerks who elect to participate in the pilot program. Any increase in local government revenue collected from birth certificate issuance fees will result in a decrease in state revenue. There will also be a decrease in state expenditures for not issuing any birth certificates that will be issued by county clerks.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/kml